BRITISH COLUMBIA
The Best Place on Earth

BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 11-11 March 18, 2011

- **Consumer prices in BC increase 1.8% in February**
- **BC's manufacturers post a 3.2% rise in sales in January**
- **Visitor entries in BC slip 0.4% in January**

Prices

- **Compared to the same month in 2010, consumer prices in British Columbia were up 1.8% in February.** Higher energy prices (+9.2%), particularly for gasoline (+12.6%), electricity (+8.9%) and fuel oil (+19.1%), continued to be the main source of inflation. Excluding energy, the Consumer Price Index (CPI) was up 1.1%.

  Food prices jumped 4.2%, the largest increase registered since mid-2009. Grocery bills rose 2.3%, mainly due to higher prices for meat (+5.1%) and fresh vegetables (+5.1%). Costlier restaurant meals (+7.8%), however, continued to be the primary driver for the overall increase in food prices.[1] Shelter costs rose 2.1% in February as utilities (+5.3%), property taxes (+4.8%) and homeowners' insurance premiums (+12.0%) were all substantially higher than twelve months earlier. Natural gas bills, unlike other energy-related prices, were down (–3.2%). The cost of operating and furnishing a home was also up (+2.1%).

  Despite a slight decline in the cost of purchasing or leasing an automobile (–1.1%), transportation prices soared 4.0%. Gasoline prices rose sharply (+12.6%), which put upward pressure on private automobile operating costs (+3.3%) as well as intercity transportation (+10.8%).

  Consumer prices for clothing (–3.6%) and footwear (–6.9%) continued to fall in February. Also down were costs associated with recreational (–6.0%) and home entertainment (–6.1%) equipment. Traveller accommodation (–38.1%) was markedly less expensive than in February 2010, when accommodation rates jumped during the Olympic Games in Vancouver.

  In BC's two largest cities, inflation was at or near the provincial average, with Vancouver registering a 1.8% increase in consumer prices, while a 1.6% increase was posted in Victoria. *Data Source: Statistics Canada*

- **Nationally, consumer prices were up 2.2% on a year-over-year basis in February as drivers faced double-digit increases at the pump in nearly every province.** Inflation was highest in Nova Scotia (+3.4%) and Newfoundland & Labrador (+2.9%) and lowest in Alberta (+1.2%) and BC (+1.8%).

  Data Source: Statistics Canada

The Economy

- **Manufacturers in British Columbia saw sales rise 3.2% (*seasonally adjusted*) in January, the largest monthly increase registered since June 2010.** Sales advanced most notably for wood (+8.9%) and paper (+6.4%) product manufacturers. Gains were also made by producers of machinery (+4.6%) and primary metals (+2.5%). Sales slowed for non-metallic mineral (–5.0%) and beverage & tobacco (–1.8%) product manufacturers.

  Nationally, manufacturing sales jumped 4.5% with gains concentrated in the transportation equipment sector (+19.7%). Higher shipments were reported in Ontario (+5.8%), Quebec (+7.4%), BC (+3.2%) and New Brunswick (+3.8%). Meanwhile, sales were down

[1] It should be noted that year-over-year changes in prices are affected by the introduction of the HST.

Did you know...

Just over one-third (37%) of Canadian airline travellers have reported being "bumped up" to first-class during a flight.

Data Source: FlightNetwork.com, "'State of Air Travel Poll"

sharply in both Manitoba (−4.2%) and Saskatchewan (−3.0%). *Data Source: Statistics Canada*

- **Wholesale sales in British Columbia advanced 2.8% (*seasonally adjusted*) in January 2011.** This increase was mainly the result of substantial gains made by wholesalers of food, beverage & tobacco (+4.6%) as well as more modest increases for sellers of building materials (+1.6%) and machinery & equipment (+1.2%).

  Nationally, wholesale sales were up 1.5%, due to higher receipts for wholesalers of motor vehicles (+7.0%). Total sales were up in seven provinces, including Ontario (+1.5%), Quebec (+2.2%) and British Columbia (+2.8%). *Data Source: Statistics Canada & BC Stats*

- **The number of new motor vehicles sold in British Columbia advanced 3.4% (seasonally adjusted) in January.** Nationally, stronger truck sales propelled total sales ahead 3.2%. Nova Scotia (+11.5%) made the largest monthly gains, while PEI (-3.2%) and Quebec (-0.1%) were the only provinces to register fewer sales. *Data Source: Statistics Canada*

Tourism

- **Foreign travel to Canada via BC edged down 0.4% (*seasonally adjusted*) in January, mainly due to a second consecutive decline in overnight visits from the US (-2.5%).** Despite a notable increase in the volume of same-day traffic (+3.0%), total entries from the US slipped 0.8%. Travel from overseas inched ahead 0.7% in January, driven by a larger number of visitors from both Asia (+1.4%) and Europe (+1.0%). The increase in European arrivals is the first after four straight monthly declines. Entries from other overseas locations were down 1.4%.

  Total international travel to Canada fell 1.0% in January, with a drop in the number of US entries (−1.7%) being the main reason for the decline. Newfoundland & Labrador registered a double-digit slide (−16.1%) in entries while Manitoba (-2.8%), Ontario (-1.9%), New Brunswick (-1.8%) and British Colu mbia (-0.4%) also welcomed fewer visitors compared to the previous month.

  Data Source: Statistics Canada & BC Stats

The Nation

- **National net worth edged up just 0.3% during the fourth quarter of 2010, a slowdown from the 0.9% growth registered in the two previous quarters.** Putting the brakes on the advance in net worth was the sizable increase (+15.3%) in Canada's net foreign debt, primarily in the government sector which took on roughly $19 billion in additional debt during the quarter. The government sector's net debt to gross domestic product (GDP) ratio now stands at 45.1%, a substantial increase from the third quarter of 2008 when the country's net debt-to-GDP ratio was at 35.4%.

  Data Source: Statistics Canada

- **Canadian industries operated at 75.8% of full capacity in 2010, up from the 71.3% recorded in the previous year.** Despite the increase, the country's capacity utilization rate remains well below the 77.8% measured for 2008. Capacity use increased most strongly in forestry & logging (+14.4 percentage points), mining (+13.1 percentage points) and in the manufacturing of transportation equipment (+14.7 percentage points) and non-metallic mineral products (+10.1 percentage points). Some industries posted lower utilization rates, including electric power generation, transmission & distribution (-2.9 percentage points), electrical equipment manufacturing (-2.7 percentage points) and printing & related support activities (-2.0 percentage points). *Data Source: Statistics Canada*

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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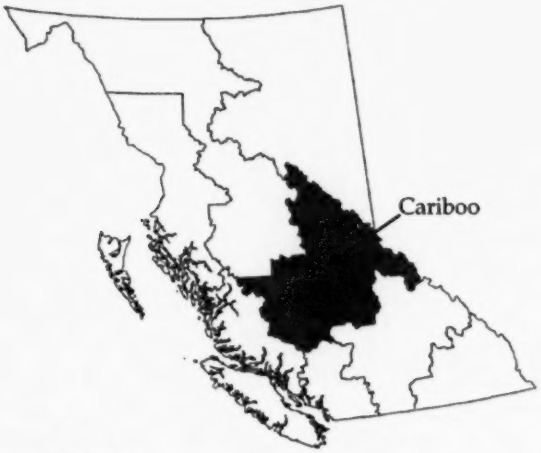
Originally published in *Tourism Sector Monitor*, February 2011

Cariboo Development Region (a Tourism Perspective)

Introduction

Located at the heart of British Columbia, Cariboo Development Region is home to roughly 3% of the province's population, yet accounts for approximately 14% of the its total area.



Source: BC Stats

Cariboo Development Region is comprised of two regional districts, Cariboo and Fraser-Fort George. Travellers to the region can experience an array of outdoor activities year-round including fishing, camping, skiing and snowmobiling. The region celebrates its unique ranching culture and gold rush heritage while the area's First Nations welcome visitors to explore their traditions, art and history.

Note to Readers

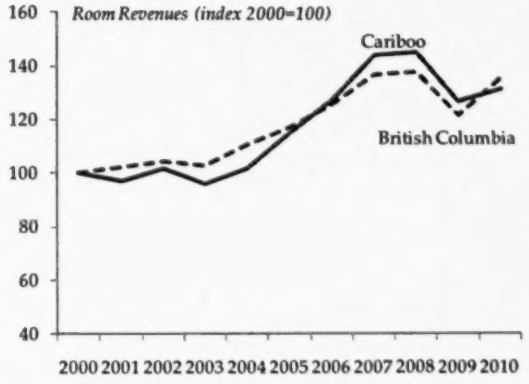
Any references to 2010 data are based on information used to produce the "A look ahead" section of the Tourism Sector Monitor (TSM). These data are considered to be very preliminary. Final estimates for 2010 will be available in the March edition of the TSM.

Room revenues

Based on preliminary revenue figures for 2010, British Columbia's accommodation industry saw receipts improve dramatically following a steep decline in the previous year due to the global recession. Every development region saw revenues plunge with Cariboo being among the hardest hit.

In 2009, room revenues earned in Cariboo sank 12.6%, moderately worse than the overall decline registered province-wide (-11.8%). However, while preliminary data for 2010 suggests that total room revenues for BC have recovered nearly all of the ground lost in the previous year, this success has not been realized in every development region equally, with preliminary figures suggesting that Cariboo experienced only a slight revenue increase in 2010.

Room revenue growth in Cariboo has been relatively close to the provincial average

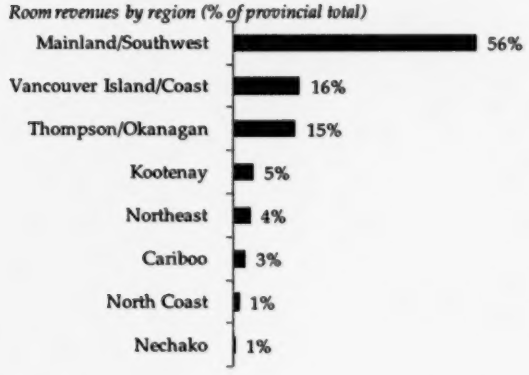


Source: BC Stats

Historically, annual room revenues in Cariboo have advanced at or near provincial levels. Between 2000 and 2010, room revenues in the region expanded by nearly one-third, slightly less than the province as a whole.

Cariboo's share of total provincial room revenues is relatively small. In 2010, Cariboo is estimated to have generated just 3% of BC's total room revenues making it one of the smallest contributors. Cariboo's share of provincial room revenues has remained virtually unchanged during the period 2000 to 2010.

Just 3% of provincial room revenues are earned in Cariboo



Source: BC Stats

Accommodation types

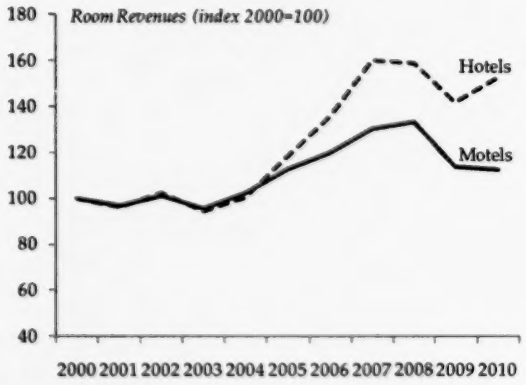
In 2009†, there were 194 accommodation properties in Cariboo, down 6.3% from the previous year. Between 2000 and 2009, the number of accommodation properties in the region has fallen 8.9%.

As with many regions of the province, while Cariboo is home to a variety of different accommodation types, in terms of revenue generation, the region's accommodation industry is primarily dominated by hotels and motels. In 2010, roughly 92% of room revenues in Cariboo were earned by hotels and motels.

Hotels accounted for the largest share (57%) of room revenues earned in Cariboo with medium-size hotels (76-150 rooms) being the biggest revenue generators. In 2009, hotels saw revenues drop by just over one-tenth (-10.9%). However, preliminary figures for 2010 suggest that hotels have made up most of that lost ground. Between 2000 and 2010, hotel revenues have jumped by just over half, the largest increase of any accommodation type in the region.

Despite the fact that motels are not the region's largest source of room revenues, they remain an important one. Accounting for more than one-third of total revenues, Cariboo relies on motel revenues more than any other development region with the exception of Nechako. Provincially, motels made up just one-tenth of total room revenues. Unlike hotels, to-date, motel operators have yet to experience a rebound in revenues following the sharp decline (-15.0%) registered in 2009 as motel revenues dipped slightly in 2010. Between 2000 and 2010, motel revenues have managed to rise by just over one-tenth.

In recent years, hotel revenues have risen considerably faster than those generated at motels



Source: BC Stats

† The most recent year for which property counts are available.

Conclusion

Being relatively removed from the economic and cultural centres in the southern half of BC, Cariboo's accommodation industry has always played a comparatively small role provincially. While no region escaped the economic recession unscathed, in terms of room revenues, Cariboo was among the hardest hit and while receipts have risen slightly in 2010, it appears likely that recovery will be slow in coming.

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BC at a glance . . .

POPULATION (thousands)	Oct 1/2010	% change on one year ago
BC	4,551.9	1.5
Canada	34,238.0	1.2
GDP and INCOME (Released Nov 4)		
(BC - at market prices)	2009	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	191,006	-3.4
GDP *($ 2002 millions)*	161,851	-1.8
GDP *($ 2002 per Capita) (reflects revised pop)*	36,287	-3.5
Personal Disposable Income *($ 2002 per Capita)*	25,374	-1.9
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jan 2011	3,157	3.2
Merchandise Exports - Jan 2011	2,676	1.2
Retail Sales - Dec 2010	4,808	-2.2
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Feb 2011)	one year ago	% change
BC	1.8	1.6
Vancouver	1.8	1.9
Victoria	1.6	1.2
Canada	2.2	1.9
LABOUR FORCE (thousands)		
(seasonally adjusted)	Feb 2011	% change on prev. month
Jobs Created (-Lost) - BC	8.9	
Labour Force - BC	2,478.2	1.1
Employed - BC	2,260.5	0.4
Unemployed - BC	217.6	8.6
		Jan 2011
Unemployment Rate - BC *(percent)*	8.8	8.2
Unemployment Rate - Canada *(percent)*	7.8	7.8
INTEREST RATES (percent)	Mar 16/2011	Mar 17/2010
Prime Business Rate	3.00	2.25
Conventional Mortgages - 1 year	3.50	3.60
- 5 year	5.44	5.25
US-CANADA EXCHANGE RATE	Mar 16/2011	Mar 17/2010
(avg. noon spot rate) Cdn $ per US $	0.9918	1.0113
(closing rate) US $ per Cdn $	1.0083	0.9898
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Feb 2011	% change on one year ago
BC	828.91	2.0
Canada	832.58	2.3

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

BC Post-Secondary Student Outcomes - Trends in Employment

Every year, respondents to the Diploma, Associate Degree, and Certificate Student Outcomes (DACSO) Survey are asked a series of questions about their current employment. This paper looks at trends in employment characteristics between 1999 and 2009. The analysis uses data from approximately 6,100 to 8,200 employed former students from Applied programs per year and 750 to 1,600 employed former Arts and Sciences students per year. For more information on BC Student Outcomes, visit BC Student Outcomes

http://outcomes.bcstats.gov.bc.ca/Libraries/DACSO_Papers/Trends_in_Employment_pdf.pdf

BC Post-Secondary Student Outcomes – Without a Trace

The report, Without a Trace - An Examination of Former Post-Secondary Students Who Left the System Without a Credential and Did Not Return, is based on 5,036 completions of the Short Stay Early Leaver Student Outcomes Survey, conducted over the summer of 2009. Respondents from 24 B.C. public post-secondary institutions - research universities, teaching universities, colleges, and institutes - participated in the project. For more information on BC Student Outcomes, visit BC Student Outcomes

http://outcomes.bcstats.gov.bc.ca/Libraries/SSELSO/SSEL_report_Final_pdf.pdf

Sub-Provincial Population Estimates

2010 estimates of population for municipalities, regional districts and development regions are now available. Estimates for 2006 to 2009 have also been revised.

www.bcstats.gov.bc.ca/data/pop/pop/mun/CurrentPopulationEstimates.pdf

Released this week by BC Stats

- Consumer Price Index, February 2011

Next week

- Quarterly Regional Statistics, 4th Quarter 2010

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